



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

FEDERAL SCHOOL CODE LIST

The USDE published an [Electronic Announcement](#) on May 1, 2014, providing information on the updated [2014-2015 Federal School Code List](#) of Participating Schools. The Federal School Code List includes schools participating in the Title IV federal student aid programs and the unique codes assigned to them by the U. S. Department of Education. These codes are used by students to indicate which postsecondary schools will receive the processed application results from their Free Application for Federal Student Aid. Instructions are given in the announcement for updating your school's FSC information.

GAINFUL EMPLOYMENT

On May 1, 2014, the USDE published an [Electronic Announcement](#): Gainful Employment Electronic Announcement #49-Updated Gainful Employment Information Page. The Gainful Employment Information Page was established in 2011 to enable easy access to the most current information on the gainful employment regulatory requirements and the USDE's implementation plans. The web page was updated and re-named "[Gainful Employment Information Page 2014](#)".

Outdated information was removed and will be maintained on the [Archived GE](#)

[Information Page](#). Information available on the GE Information Page includes the following:

- Federal Register Notices including Regulations
- Dear Colleague Letters and Electronic Announcements
- Frequently Asked Questions
- Webinars and Presentations
- Resources

SEQUESTER REQUIRED CHANGES

Dear Colleague Letter [GEN-14-10](#) was published by the USDE May 2, 2014: FY 2015 Sequester Required Changes to the Title IV Student Aid Programs. Information provided in this letter include sequester required increases to loan fees in the Direct Loan Program where a first disbursement is on or after Oct. 1, 2014. Loan fees charged to borrowers for Direct Subsidized, Direct Unsubsidized and Direct Plus Loans, with a first disbursement made on or after Oct. 1, 2014 and before Oct. 1, 2015, will be increased to the following percentage:

- Direct Subsidized 1.073%
- Direct Unsubsidized 1.073%
- Direct Plus 4.292%



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Institutions may begin immediately to submit Direct Loan origination records into the Common Origination and Disbursement System, as long as the correct loan fees are provided for first disbursements on or after Oct. 1, 2014. There are also required reductions to the Iraq-Afghanistan Service Grant and TEACH Grant awards where first disbursements are on or after Oct. 1, 2014. Required reductions for the Iraq-Afghanistan Service Grant and TEACH Grant awards, for first disbursements on or after Oct. 1, 2014 and before Oct. 1, 2015, are listed below:

- Iraq-Afghanistan Service Grants will be reduced 7.3% from the statutory award amount.
- TEACH Grants will be reduced 7.3% from the statutory award amount.

On May 9, 2014, the USDE published an [Electronic Announcement](#): COD System Operational Notice-COD System Readiness for Direct Loan Origination Fee Percentages Changes. Operational updates and information about COD System readiness for processing Direct Loans with the new origination fees are provided in this announcement. Business rules for disbursement calculations for the COD System can be found in Volume II, Section 1 of the [2014-2015 COD Technical Reference](#), starting on page 99.

CAMPUS-BASED PROGRAMS

An [Electronic Announcement](#) was published by the USDE May 6, 2014: Notification of Campus-Based Funding for the 2014-2015 Award Year. The report that notifies the community of approved awards for the Federal Work-Study, Federal Supplemental Educational Opportunity Grant and Federal Perkins Loan programs has been posted for the 2014-2015 Award Year. States and territories are listed in the report in alphabetical order. For quick access to the state of interest, use the interactive table of contents. Schools that became eligible for awards after the reports were produced will not be reflected in this notification.

The USDE published an [Electronic Announcement](#) May 13, 2014: 2012-2013 Federal Perkins Loan Service Cancellation Reimbursement. The USDE will generally reimburse schools for all or part of the principal and interest of a Federal Perkins Loan that is cancelled for eligible service performed by the borrower. This reimbursement is dependent on Congress allocating funds for the program in that award year. While the [Consolidated Appropriations Act](#), 2014 (Public Law 113-76) allocated funds for Fiscal Year 2014 for the Campus-Based programs, no funds were allocated for the 2012-2013 Federal Perkins Loan service cancellation reimbursements.



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Therefore, no reimbursement payments will be issued this year. Schools must still offer and apply applicable cancellations to borrowers, even though Federal Perkins Loan service cancellations are not funded. Important information and instructions for schools are outlined in this announcement.

DIRECT LOAN PROGRAM CLOSEOUT

On May 6, 2014, the USDE published an [Electronic announcement](#): Record Submission Due Date for 2012-2013 Direct Loan Program Year Closeout. The closeout deadline for the 2012-2013 Direct Loan Program Year is Thursday, July 31, 2014. All school data must be received and accepted by 8:00 P.M. (ET) on this date to be included in a school's final Ending Cash Balance for the year. Additional information and instructions are provided in the announcement to assist schools in meeting this deadline.

PROGRAM INTEGRITY

The USDE published an [Electronic Announcement](#) May 9, 2014: Program Integrity Questions and Answers Website Update. The verification portion of this website was updated. Questions and answers that have been changed reflect bold revised dates and, in some cases, a "new" symbol

([new](#)). The Program Integrity Information website can be viewed at the following link: <http://www2.ed.gov/policy/highered/reg/hea/rulemaking/2009/integrity-qa.html>.

LOAN SERVICING

An [Electronic Announcement](#) was published by the USDE May 13, 2014: Loan Servicing Information-Sallie Mae SCRA Settlement with U.S. Department of Justice. A consent decree was filed by the Department of Justice with Sallie Mae and Navient Solutions. This action affects borrowers of private loans, William D. Ford Federal Direct Loan Program loans and Federal Family Education Loan Program loans. Borrowers who inquire about the consent decree or Servicemembers Civil Relief Act benefits should be directed to the following links:

- StudentAid.gov/settlement
- www.servicemembers.gov

The USDE published an [Electronic Announcement](#) May 22, 2014: Loan Servicing Information-Third Quarter's Customer Service Performance Results. This announcement provides the third quarter (ending March 31, 2014) results for servicer performance measured annually in the areas of customer satisfaction and default prevention. Each servicer's allocation of



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future loan volume is determined by these results when applicable. Attachments to the electronic announcement include the following:

- Explanation of Customer Service Performance Measure Methodology
- Quarterly Customer Service Performance Results for FedLoan Servicing (PHEAA), Great Lakes Educational Loan Services, Inc., Nelnet, and Sallie Mae – Quarter Ending March 31, 2014
- Quarterly Customer Service Performance Results for Not-For-Profit (NFP) Members of the Federal Loan Servicer Team – Quarter Ending March 31, 2014

TPD DISCHARGE INFORMATION

On May 13, 2014, the USDE published an [Electronic Announcement](#): TPD Discharge Information-Transition to New SAIG Service for Total and Permanent Disability Discharge Loan Holder Notification File Delivery. The TPD LHN file is the primary form of communication of TPD discharge information between the Nelnet TPD Servicer and loan holders. The delivery options will change in 2014 and all entities receiving the TPD LHN File via e-mail will transition to receiving the TPD LHN File through the [Student Aid Internet Gateway](#).

Information on when and how entities must enroll for the new TPD LHN service is provided in an attachment to the announcement. The current TPD LHN File Layout is also attached.

CONFLICTING INFORMATION

The USDE published an [Electronic Announcement](#) May 15, 2014: Resolving Marital Status and Tax Filing Inconsistencies. This announcement corrects a [Dec. 20, 2013](#) electronic announcement regarding 2014-2015 Summary Changes for the Application Processing System Guide. A paragraph was added to clarify why comment codes 361 through 368 were added to the Institution Student Information Report and Student Aid Report. These codes are used to alert institutions when the marital status and the tax filing status reported on the FAFSA indicate a possible error. Including these new comment codes on the ISIR might suggest incorrect information, but it is not considered to be conflicting information. Schools are encouraged to review the applicant's record to determine if the reported statuses are correct, but it is not required.

DIRECT LOAN INTEREST RATES

On May 15, 2014, the USDE published an [Electronic Announcement](#): Interest Rates for



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Direct Loans First Disbursed between July 1, 2014 and June 30, 2015. Information is provided on the change to Direct Loan interest rates that resulted from the Bipartisan Student Loan Certainty Act of 2013. New formulas are used for determining interest rates for all Direct Subsidized Loans, Direct Unsubsidized Loans and Direct Plus Loans for parents and graduate/professionals for whom the first disbursement is made on or after July 1, 2014. A table of Direct Loan interest rates for 2014-2015 is included in this announcement, showing the 10-Year Treasury Note Index and Add-On that make up the fixed rates below.

- Direct Subsidized Loans 4.66%
(Undergraduate)
- Direct Unsubsidized Loans 4.66%
(Undergraduate)
- Direct Unsubsidized Loans 6.21%
(Graduate/Professional)
- Direct Plus Loans 7.21%
(Parent Plus/Grad Plus)

SCHOOL CONTACT CENTERS

An [Electronic Announcement](#) was published by the USDE May 15, 2014: Reminder-Advantages of Using Reach FSA Phone Number. This announcement is a reminder to the financial aid community of the advantages of using Reach FSA at 1-855-

FSA-4-FAA. Reach FSA is the phone line that provides the option of calling one number, 1-855-FSA-4-FAA (1-855-372-4322), to reach the following 10 FSA School Contact Centers.

- Campus-Based Call Center
- CPS/SAIG Technical Support
- COD School Relations Center
- eZ-Audit Help Desk
- Federal Student Aid Research and Customer Care Center (RCCC)
- Foreign Schools Participation Division
- G5 Hotline
- NSLDS Customer Support Center
- Nelnet Total and Permanent Disability Servicer
- School Eligibility Service Group

Reach FSA helps a caller identify the appropriate Contact Center to address their question, and then transfers them to the Contact Center's current Interactive Voice Response (IVR) Unit. It is important to note that this number should not be shared with students or borrowers. It is intended as a tool for FAAs only.

STUDENT AID HISTORY

The USDE published an [Electronic Announcement](#) May 6, 2014: Launch of



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Student Aid History on StudentAid.gov. A new feature is available on the Federal Student Aid website. Students, parents and borrowers can now access their federal student aid history directly on the site. Users are able to:

- View their federal student aid history, including loan detail, grant detail, and overpayment detail;
- Get their loan servicer's contact information;
- Find out how much Pell Grant eligibility they have left; and
- Download their federal student aid history into a text file using the MyData Download function.

The NSLDS Student Access site will continue to be available and student aid recipients should continue to visit NSLDS.ed.gov to:

- update their address,
- submit an enrollment change,
- complete TEACH exit counseling, and
- provide an organization authorization to their account

Additional information is provided in the announcement, to include an attachment with screenshot examples of StudentAid.Gov/NSLDS Student Access.

DIRECT LOAN CONSOLIDATION

On May 20, 2014, the USDE published an [Electronic Announcement](#): New Direct Consolidation Loan Process Information-Phase Two of Transition Implemented on May 18, 2014. Phase Two of the transition to the new Direct Consolidation Loan process is explained in the announcement for the following categories:

- Direct Consolidation Loan Process for All New Applicants Effective May 18, 2014
- Applications Received through Former Consolidation System Before May 18, 2014
- Loan Holder and Servicer Information
- Contact Information

This move is a continuation of the changes needed for the USDE to end their contract with ACS (Xerox). As part of the second phase of the transition, all new applicants will use the new Direct Consolidation Loan process on [StudentLoans.gov](#).

COD SYSTEM

An [Electronic Announcement](#) was published by the USDE May 22, 2014: 2014-2015 COD System Peak Processing Reminders. Another peak processing period for the



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2014-2015 Award Year will begin in late June 2014. Information is given in the announcement to assist schools with planning and processing. A contact number for the COD School Relations Center is included.

TEACH GRANT CLOSEOUT

The USDE published an [Electronic Announcement](#) May 22, 2014: TEACH Grant Closeout Information for 2013-2014 Award Year. The deadline is Tuesday, Sept. 30, 2014, for closeout of the Teacher Education Assistance for College and Higher Education Grant. All school data must be received and accepted by this date, to include requesting funds in G5, for information to be included in a school's final Ending Cash Balance for the year. Schools should communicate regularly with their third party servicer to ensure closeout is completed timely. Additional instructions and important reminders are given in this announcement.

TECHNICAL

On May 22, 2014, the USDE published an [Electronic Announcement](#): EDE Technical Reference (May 2014 Update). This update contains revisions to valid field content in several layouts in the Record Layouts section. The fields for High School Name,

Reprocessed Reason Code and Assumed Parents' Marital Status are those impacted by the changes. The [2014-2015 Electronic Data Exchange Technical Reference](#) has been posted on the [Information for Financial Aid Professionals](#) website and will also be available on the Federal Student Aid Download website at <https://www.fsadownload.ed.gov>.

FEDERAL REGISTER

A [Federal Register](#) was published by the USDE May 30, 2014: Federal Need Analysis Methodology for the 2015-2016 Award Year. The criteria, data elements, calculations and tables the USDE uses in the Federal Need Analysis Methodology, to determine the Expected Family Contribution, has been updated for the 2015-2016 Award Year. These updates are required by statute annually in Section 478 of part F of Title IV of the Higher Education Act of 1965, as amended. In general, the updates are based upon increases in the Consumer Price Index. A description of the changes and charts with the updated figures are provided in the PDF version of the federal register.

VARIABLE INTEREST RATES

On [May 30, 2014](#), the USDE posted updated Federal Stafford, Federal PLUS,



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Federal SLS and Federal Consolidation Interest Rate Calculations for the period July 1, 2014-June 30, 2015. The interest rates for variable-rate loans under the programs listed are determined annually. The 91-day Treasury Bill rates used in calculating the variable interest rates are given in the publication.

TRAINING

The USDE published Dear Colleague Letter [ANN-14-11](#) May 30, 2014: FSA Coach-2014-2015 Update. The updated editions of FSA Coach for both domestic and foreign schools are now available. These are comprehensive, self-paced online courses written at an introductory level. Lessons can be completed individually or as a full course, allowing you to tailor the training to your specific needs. The training can be accessed on the Federal Student Aid E-Training website at <http://fsatraining.info>. Once you have logged into the site, select “Basic Title IV Training” on the main menu bar. Choose the FSA Coach 2014-2015 course you wish to complete and select “Enroll Me” to launch the training.